



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Ukraine

### Grain and Feed

### September Update

**2008**

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**Report Highlights:**

Export of wheat and barley continues with large volumes each month. Prices continue a downward trend. The GOU is closely watching the grains market and is ready to interfere when they deem it necessary.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Kiev [UP1]  
[UP]

## Policy

The GOU signed Decree # 825 dated September 10, which gives the GOU the right to control wheat, barley and corn prices on the market. This decree doesn't establish the level of the price but it could be done by another decree at any moment, if the GOU decides that the current market price is too low. The action would be undertaken by the state owned Agrarian Fund which is buying grains and is financed by the GOU. As of September 11, the Fund bought 484,000 tons of grains out of a planned 844,000 tons of grain to be purchased. The price level which declared by the Fund is: milling wheat 3rd class (protein 12%) \$262 per ton, milling wheat 4th class (protein 11%) \$240 per ton, milling wheat 5th class (protein 10%) \$210 per ton. The Agrarian Fund does not buy feed wheat, the cheapest on the market. Prices from international exporters are at the following levels: wheat 3rd class \$240 per ton, wheat 4th class \$230 per ton, wheat 5th class \$180 per ton (the price can change every day). The difference between Agrarian Fund and traders' prices is \$22 for wheat 3rd class, \$10 for wheat 4th class and \$30 for wheat 5th class.

The biggest price difference is for 5<sup>th</sup> class wheat and feed wheat (6<sup>th</sup> class). Feed wheat's share is normally about 35-40% of the crop. This year feed wheat's share is about 50% of the crop because of weather conditions in spring. This amount of feed wheat explains why feed wheat prices took a drop almost two times the price compared to last year. When the GOU discusses low prices they are primarily referring to feed wheat prices.

## Production

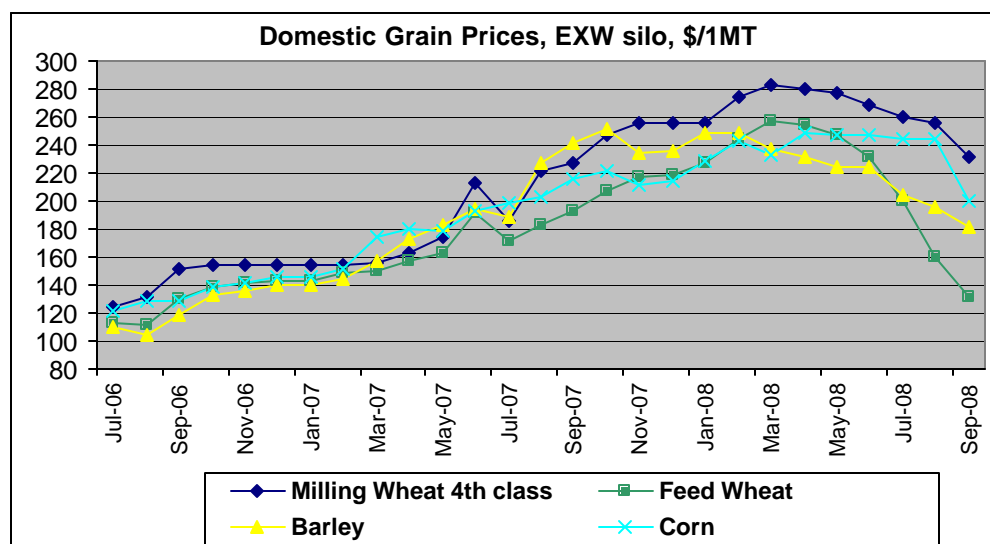
According to the State Statistic Committee, as of September 1, wheat production amounts to 26.8 million tons and barley production is 13.4 million tons.

Corn harvesting is going on with delay because of the rainy weather. It was harvested 0.7 million tons from the area of 178, 000 hectares with yield of 3,91 ton per hectare, as of September 29.

Sowing of winter crops is underway with substantial delays compared to last year. As of September 29, 2 million hectares of wheat were sown, compared to last year when 3 million hectares were already sown on the same date. Winter rapeseed sown area is almost the same as last year at 1.126 million hectares compared to 1.22 million hectares last year.

## Market

Prices for all major grains are decreasing due to high production and supply from farmers. Trading companies are slowing down their purchases due to expectations that the price could continue to go down.



## Export

Official Ukrainian statistics show grain exports in August 2008 totaled: wheat at 876,000 tons, barley at 966,000 tons and corn at 159,000 tons. According to information from the ports grain exports in September 2008 totaled: wheat at 990,000 tons and barley at 640,000 tons. The numbers from the ports are usually 10-15% lower than final official from statistics, because port information does not include exports by railways. Please refer to the grain export tables (by month and destination) in the Statistical Tables Section

## Statistical Tables

### Wheat Exports by Month and Destinations for MY 2007/2008, 1000 MT

Country	Jul-08	Aug-08*	Sep-08**	Total
Jordan	46		52	98
Tunisia	110	81	51	242
Israel	97	82	72	251
Egypt	45	204	211	460
Azerbaijan	11			11
Spain	167	222	314	703
Pakistan	36		51	87
Greece	8		2	10
Italy	8	65	43	116
Turkey	21			21
Poland	16			16
Lithuania	10			10
Belarus	4			4
Georgia	4		3	7
Netherlands	8			8
Sudan	16			16
Portugal	0	38		38
Korea, South	0	36		36
Lebanon	17			17

Libya	13	16	25	54
Belgium	0	17	3	20
Germany	0		44	44
Nigeria	0	0	11	11
Shri Lanka	0	0	19	19
Bangladesh	0	0	50	50
Algeria	0	0	10	10
Morocco	0	0	7	7
Others	22	115	22	159
<b>Total</b>	<b>660</b>	<b>876</b>	<b>990</b>	<b>2526</b>

Source: State Statistics Committee of Ukraine; Aug-08\* - Ukrainian State Statistic Committee; Sep-08\*\* - information from the ports and will be corrected according to official statistic

#### Barley Export by Month and Destinations for MY 2007/2008, 1000 MT

Country	Jul-08	Aug-08*	Sep-08**	Total
Saudi Arabia	401	208	215	824
Syria	76	138	112	326
Jordan	128	53	53	234
Iran	97	230	117	444
Cyprus	35	49		84
Israel	13	59	3	75
Lebanon	11			11
Belarus	5			5
Greece	1			1
Kuwait	24		74	98
Libya	6	49		55
Kazakhstan	7			7
Algeria	24	25		49
Spain	0	34		34
United Arab Emirates	0	27	46	73
Turkey	0		6	6
United Kingdom	4			4
Morocco	6		7	13
Netherlands	0		2	2
Others	0	94		94
<b>Total</b>	<b>836</b>	<b>966</b>	<b>640</b>	<b>2442</b>

Source: State Statistics Committee of Ukraine; Aug-08\* - Ukrainian State Statistic Committee; Sep-08\*\* - information from the ports and will be corrected according to official statistic

#### Corn Export by Month and Destinations for MY 2007/2008, 1000 MT

	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08*	TOTAL
Lithuania	0	0	0	0	8	67	9	14	32	13	6	149
Greece	0	0	0	0	23	56	60	80	42	28	10	299
Russia	0	0	0	1	9	49	28	50	67	61	24	289

Cyria	0	0	0	0	0	0	0	0	34	9		43
Belarus	0	0	0	0	5	28	13	34	28	12		120
Bulgaria	0	0	0	0	16	25	0	10	0	0		51
Italy	0	0	0	0	0	22	20	66	57	22	25	212
Poland	0	0	0	0	0	17	23	62	52	17	8	179
Turkey	0	0	0	0	0	15	5	79	102	33		234
Cyprus	0	0	0	0	3	12	10	19	0	9	16	69
Armenia	0	0	0	0	3	11	0	0	0	0		14
Latvia	0	0	0	0	5	11	8	0	0	0		24
Netherlands	0	0	0	0	0	10	3	0	0	0		13
Moldova	0	0	0	0	0	9	2	0	0	3		14
Estonia	0	0	0	0	0	8	2	0	0	1		11
Georgia	0	0	0	0	0	7	4	0	0	2		13
Albania	0	0	0	0	0	5	0	0	0	0		5
Malta	0	0	0	0	0	3	0	0	0	6		9
Slovakia	0	0	0	0	0	2	0	0	0	0		2
Romania	0	0	0	0	1	1	0	0	0	0		2
Kazakhstan	0	0	0	0	0	0	0	0	0	0		0
Serbia	0	0	0	0	0	0	0	0	0	0		0
Spain	0	0	0	0	27	0	0	0	27	0	31	85
Azerbaijan	0	0	0	0	0	0	5	13	12	1		31
Syria	0	0	0	0	0	0	0	0	0	34	19	53
Algeria	0	0	0	0	0	0	0	0	0	12	5	17
Libya	0	0	0	0	0	0	0	0	0	0	11	11
Others	0	0	0	0	0	0	0	37	33	12	4	86
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>101</b>	<b>358</b>	<b>191</b>	<b>464</b>	<b>486</b>	<b>275</b>	<b>159</b>	<b>2035</b>

Source: State Statistics Committee of Ukraine; Aug-08\* - Ukrainian State Statistic Committee.